

**House Report 109-016 - MAKING EMERGENCY SUPPLEMENTAL
APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
2005, AND FOR OTHER PURPOSES**

**ADDITIONAL VIEWS OF THE HONORABLE DAVID R.
OBEY**

The Administration's \$75 billion FY 2005 emergency supplemental funding request for the Department of Defense's Iraq and Afghanistan operations comes in addition to \$25 billion of emergency spending already provided for this year.

The Committee worked to craft a bill that will provide our troops with the equipment and support they need, including body armor, up-armored Humvees, electronic jammers, and a host of other force protection gear and equipment repair. However, the Administration's request, and to a slightly lesser degree, the Committee's bill, remains lacking in one critical area--accountability.

For example, the Department's request includes \$7 billion in funding for two new accounts--the Iraq and Afghanistan security forces funds. The Department asked that no restrictions be placed on this funding and that the Secretary be given discretion to move these funds between *any* Federal accounts--not just Defense Department accounts--that he alone chooses. For this \$7 billion request, the Department only provided two pages of written justification. There is no reporting requirement and no oversight provision whatsoever mentioned in their request.

The Committee has rightly restricted this request in its bill. I believe it did so because of the Committee's experience with the Administration and the Department over the past three years.

Once this supplemental is enacted, Congress will have provided this Administration with almost \$300 billion for military and reconstruction efforts in Afghanistan and Iraq. These funds have been provided, by and large, in the amounts requested and for the activities proposed by the Administration. They have been supplied in a manner that allows the Administration, including the Secretary of Defense, significant flexibility to address uncertainties. Indeed, the Congress has gone beyond what I believe to be reasonable in this regard. And what has the Congress received in return?

A rationale for going to war in Iraq--to stop Hussein from using weapons of mass destruction. However, it appears that information concerning his weapons capabilities was greatly exaggerated.

An initial Administration estimate that Iraq reconstruction would cost between \$1 and \$2 billion and could be financed by Iraqi oil revenues. Yet, to date, Congress has appropriated over \$20 billion for Iraq reconstruction.

Administration claims that we would be greeted as liberators and that 6 months after the invasion we would could begin withdrawing troops. This was, of course, before the Iraqi insurgency resulted in 1,500 U.S. troop deaths, thousands injured, many more Iraqis killed, and a continuing U.S. troop deployment in Iraq of around 150,000.

A failure to plan that has our troops still struggling to protect themselves with scrap metal body armor and deal with a myriad of other equipment shortages.

And finally, an Administration bent on obstructing the Congress every time we seek information about the possible future costs of this war. For example, the Army tells us it will need an additional \$10 to \$12 billion just to refurbish equipment used in Iraq and Afghanistan.

This Committee has an obligation to ensure that U.S. policy is adequate to achieve success, is realistic, and is consistent with our values as a nation. We also have an obligation to ensure that the funds requested are adequately justified and that the Administration is accountable for their use. Yet repeatedly, when we have sought to meet our obligation, the Administration and the Department has acted as if the Congress is an ATM machine rather than a coequal branch of government whose responsibility it is to conduct proper oversight. There are a number of questions for which this Committee deserves answers.

Sections 9010 and 9012 of last year's Defense Appropriations Act called for the Department to submit reports to Congress detailing cost estimates and plans for Operations Iraqi Freedom and Enduring Freedom. These reports were due October 31st of last year and January 1st of this year. They have not been submitted. Why?

The Inspector General reported that almost \$9 billion in reconstruction funding has been mishandled and poorly accounted for. What happened to this \$9 billion?

At one time DoD stated that 220,000 Iraq security forces had been trained and equipped. Now the Department says only 136,000. Yet, reports from the Pentagon indicate that only a handful of these forces are truly 'mission capable'. What are the standards that these forces must meet achieve before they can likely perform their missions successfully? How many of these forces and units have achieved these standards? What are the goals and when will they likely be achieved?

The Army reports that it is planning to keep 120,000 troops in Iraq for the next two years. Is this the appropriate troop level to achieve U.S. objectives?

To fully and reasonably address the Department's funding needs and have an informed debate about U.S. policy in Iraq and Afghanistan, the Administration must be accountable for its activities, its claims, and its plans and associated costs. The Congress will provide every dime the troops need to do their job, but we need some straight answers so that we can do ours. This was part of my reasoning behind offering two amendments.

ACCOUNTABILITY FOR DEFENSE DEPARTMENT INTELLIGENCE OPERATIONS

My first amendment addressed the need for greater accountability from the Defense Department regarding their intelligence operations. Those closely monitoring events should be familiar with reports about the Defense Department's intelligence operation--the Office of Special Plans--that advised the Secretary of Defense and the White House about weapons of mass destruction in Iraq, how we would be welcomed as 'liberators,' how many troops we would need to win the peace, and the costs of reconstruction. All of their predictions turned out not just to be wrong, but wildly off the mark and possibly purposely misleading.

Now, another equally serious problem exists. By relying on a narrow reading of the intelligence laws and related reporting procedures regarding some clandestine military operations, the Pentagon has denied the Appropriations Committee and other relevant Congressional committees the opportunity to appropriately oversee these activities. The 9/11 Commission criticized the Congress--specifically the Intelligence, Armed Services, and Appropriations committees--for failing to adequately oversee intelligence activities. Improving the reporting procedures governing sensitive clandestine military operations is essential to enhancing Congressional oversight.

The power of the purse is one of the few levers Congress has to shape U.S. policy. Without a full understanding of Executive branch intelligence activities, that power is frustrated. The intelligence committees obviously have a need to know about all covert and clandestine intelligence activities. These committees embody the necessary checks and balance on Executive branch intelligence activities. But the Appropriations Committee has a constitutional requirement to ensure that the American taxpayers' dollars are being well spent and supporting sound public policy.

The Administration has stated that they will propose changes to the current notification and reporting procedures governing these sensitive military operations, which is why I withdrew my amendment during the Committee

mark-up. The Administration has an obligation to act in good faith. If they do not, Congress has an obligation to do what is necessary to carry out its Constitutional responsibilities.

ACCOUNTABILITY IN GOVERNMENT CONTRACTING

My second amendment, which was rejected, would have authorized the establishment of a select committee to investigate and study the awarding and carrying out of Government contracts to conduct activities in Afghanistan and Iraq.

At the dawn of World War II, questions were being asked about widespread stories of contractor mismanagement. At that time, Senator Harry S Truman called on the Congress to create a select committee to study and investigate procurement and manufacturing, which it did on March 1, 1941. From its creation until it expired in 1948, the Select Committee to Investigate the National Defense Program, known as the Truman Committee, held 432 public hearings and 300 executive sessions, conducted hundreds of fact-finding missions, issued 51 reports and saved the taxpayers billions of dollars. Throughout, the Committee earned high marks for its thoroughness and efficiency. It is interesting to note that the Truman Committee was authorized by a Democratic Congress to examine the conduct of a Democratic administration.

If they were serving the Congress today, Truman Committee members would hear a great deal that sounds familiar in the news about contracting in Iraq. For example:

The Inspector General has reported that nearly \$9 billion of money spent on Iraqi reconstruction is unaccounted for because of inefficiencies and bad management. Auditors stated they were unable to verify that the Iraqi money was spent for its intended purpose. In one case, the Inspector General raised the possibility that thousands of 'ghost employees' were on an unnamed ministry's payroll.

It has been reported in the press that whistleblowers have claimed that a government contractor defrauded the Coalition Provisional Authority of tens of millions of dollars in Iraq reconstruction funds. In one case, a firm was allegedly paid \$15 million to provide security for civilian flights into Baghdad even though no planes flew during the term of the contract.

Just recently, it was reported by the New York Times that the Pentagon awarded a contract to provide thousands of bulletproof ceramic plate inserts to, 'a former Army researcher who had never mass-produced anything.' According to this story, the contractor 'struggled for a year, then gave up

entirely.' From the day the order was placed by the Pentagon, it took 167 days for troops in Iraq to begin receiving the inserts.

What is in question is how taxpayer dollars are being spent, whether taxpayers are getting their money's worth, and whether the high-quality equipment and services that America's soldiers deserve and require are being delivered. The creation of a modern-day Truman Committee would help get to the bottom of these issues. The amendment was defeated, but we believe it is the obligation of the House to reverse that action.

THE NEXT SUPPLEMENTAL

This supplemental appropriations bill will soon become law. But, before the ink of the President's signature dries, we will already have known for a fact that this Congress will be asked to provide another \$60 to \$80 billion in the near future. Yet, even though the Army plans on having 120,000 in Iraq in 2006, the Administration has not requested funding for Iraq and Afghanistan in the FY 2006 Department budget request and the Administration's long-range budget estimates contain no funding for these missions.

What is most disturbing is not that the Administration continues to provide the facts about Iraq to this Committee, the Congress, and the American people on the installment plan. This would not be the first administration to attempt to circumvent Congressional oversight whenever possible. What is most disturbing is that the Congress--three years, \$200 billion, and 1,500 American lives later--continues to allow it to happen. Most alarming of all is that the debate over the next supplemental will likely sound identical to that surrounding this \$75 billion request. The nearly nonexistent nature of Congressional oversight today will make sure of it.

DAVE OBEY.

